

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6384**

**BILL NUMBER: SB 111**

**NOTE PREPARED: Dec 9, 2014**

**BILL AMENDED:**

**SUBJECT:** Unemployment Insurance Overpayments.

**FIRST AUTHOR:** Sen. Tallian

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** The bill requires the Department of Workforce Development (DWD) to waive repayment of unemployment benefit overpayments made: (1) during the pendency of an appeal under which the individual is determined to be ineligible for benefits; or (2) because of an error by DWD. It also waives liability for repayment of unemployment benefits that were paid after July 1, 2011, to an individual who was not entitled to receive the benefits solely because of changes to the unemployment insurance law made by HEA 1450-2011 (P.L.2-2011).

**Effective Date:** July 1, 2015.

**Explanation of State Expenditures:** The bill will affect the Unemployment Insurance Trust Fund if DWD is required to waive repayment of unemployment benefits paid to claimants that were paid as a result of error solely on the part of DWD or claimants that received benefits, who were ultimately not entitled to them solely due to HEA 1450-2011.

According to information from DWD, total overpayments for FY 2014 were \$36.2 M. Of those overpayments, \$0.1 M (or 0.2%) were due entirely to agency error. According to the bill, DWD is prohibited from collecting these overpayments from claimants after July 1, 2015.

DWD is unable to provide the amount of benefits paid to individuals that were not entitled to receive benefits solely due to changes from HEA 1450-2011 (P.L.2-2011) at this time.

*Additional Information:* HEA 1450-2011 eliminated eligibility for unemployment insurance compensation for individuals employed by Head Start or an early Head Start program, on-call employees, employees on a regularly scheduled vacation, and those workers who received severance pay and/or a voluntary buyout.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The bill affects local units as employers.

**Explanation of Local Revenues:**

**State Agencies Affected:** DWD, All.

**Local Agencies Affected:** All.

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